

Message Text

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PAGE 01 PEKING 00394 081022Z

44

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SUBJECT: SHANGHAI PHARMACEUTICALS AND MEDICAL INSTRUMENTS MINI-FAIR

1. SUMMARY. SPONSORED BY THE CHINA NATIONAL CHEMICALS IMPORT AND EXPORT CORPORATION, TTM FIRST PHARMACEUTICALS AND MEDICAL INSTRUMENTS MINI-FAIR CLOSED IN SHANGHAI ON MARCH 6. APPROXIMATELY 170 FOREIGN BUSINESSMEN ATTENDED INCLUDING REPRESENTATIVES OF SIX U.S. FIRMS. AMERICANS INTERVIEWED BY A USLO OFFICER WHO VISITED THE FAIR SAID THE FAIR NOW PROMISES TO BECOME AN ANNUAL EVENT. END SUMMARY.

2. THE CHINA NATIONAL CHEMICALS IMPORT AND EXPORT CORPORATION'S (SINOCHEM) FIRST PHARMACEUTICALS AND MEDICAL INSTRUMENTS MINI-FAIR CLOSED IN SHANGHAI AFTER A 16DAY RUN ON MARCH 6. TOTAL ATTENDANCE REACHED APPROXIMATELY 170 WITH THE LARGEST NATIONAL CONTINGENT, ABOUT 60, COMING FROM JAPAN. TRADERS FROM HONG KONG AND MACAU, WESTERN EUROPE AND THIRD WORLD COUNTRIES ALSO ATTENDED AS WELL AS REPRESENTATIVES OF SIX U.S. FIRMS.

CONFIDENTIAL

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PAGE 02 PEKING 00394 081022Z

3. AMERICAN COMPANIES WHICH ATTENDED INCLUDED SQUIBB, MILES LABORATORIES, SOVIN CHEMICALS, AND H. RIESMAN CORPORATION (ALL REPRESENTED DIRECTLY FROM THE U.S.), PFIZER (REPRESENTED FROM HONG KONG), AND FALLEK CHEMICALS (REPRESENTED FROM ROTTERDAM). AS MANY AS TWENTY U.S. FIRMS MAY HAVE RECEIVED INVITATIONS, BUT SINOCHEM'S FAILURE TO PROVIDE ADEQUATE PRE-FAIR INFORMATION MAY HAVE DISCOURAGED SEVERAL COMPANIES FROM ATTENDING. EVEN THOSE U.S. FIRMS WHICH DID MAKE THE TRIP TO SHANGHAI COMPLAINED OF DIFFICULTIES IN OBTAINING INFORMATION ON FAIR DATES AND PRODUCTS OFFERED BEFORE LEAVING THE U.S.

4. SPONSORED BY SINOCHEM'S HEAD OFFICE IN PEKING, THE FAIR WAS HELD ON THE TENTH FLOOR OF THE SHANGHAI MANSIONS HOTEL WITH ALL BRANCHES OF THE CORPORATION, INCLUDING NEW ONES ESTABLISHED THIS YEAR IN HOPEI AND KIANGSU, TAKING PART. THERE WAS NO DISPLAY AREA AND DISCUSSIONS WERE HELD IN HOTEL ROOMS CONVERTED FOR THE PURPOSE. BUSINESSMEN AND THEIR CHINESE COUNTERPARTS WERE HOUSED ON OTHER FLOORS OF THE HOTEL.

5. ON SALE WERE A COMPLETE RANGE OF CHINESE PHARMACEUTICALS, MEDICAL INSTRUMENTS, AND SOME CHEMICALS. PRICES FOR DRUGS WERE SAID BY BUSINESSMEN TO BE LOW DESPITE AN UPWARD INTERNATIONAL TREND, BUT CHEMICAL PRICES WERE CONSIDERED HIGH IN RELATION TO PRESENT WORLD MARKETS. SUPPLIES SEEMED ADEQUATE IN PHARMACEUTICALS AND CHEMICALS, BUT ONE U.S. FIRM WHICH WAS INTERESTED IN IMPORTING CHINESE MEDICAL INSTRUMENTS FOUND THAT ONLY SURGICAL TOOLS WERE ACTUALLY AVAILABLE.

6. WHEN INTERVIEWED DURING THE FINAL WEEK, REPRESENTATIVES OF ALL U.S. FIRMS SAID THEY HAD DONE BUSINESS AT THE FAIR. ONE AMERICAN TRADER NOTED, HOWEVER, THAT HE AND HIS COLLEAGUES WERE BUYING PRIMARILY FOR DELIVERY TO EUROPE WHERE USDA REGULATIONS AND LACK OF MFN TARIFFS DO NOT PRESENT BARRIERS TO CHINESE PRODUCTS. NO ESTIMATES FOR TOTAL BUSINESS BY U.S. OR OTHER FOREIGN FIRMS WAS AVAILABLE, CONFIDENTIAL

CONFIDENTIAL

PAGE 03 PEKING 00394 081022Z

BUT ONE KNOWLEDGEABLE U.S. BUSINESSMAN ESTIMATED TOTAL BUSINESS DONE AT THE FAIR BY ALL PARTICIPANTS AT \$5 MILLION.

7. LIKE MOST OF THE MINI-FAIRS HELD THIS YEAR BY OTHER PRC FOREIGN TRADE CORPORATIONS, THIS ONE NOW PROMISES TO BE AN ANNUAL EVENT. FAIR DIRECTOR AND SINOCHEM DEPUTY GENERAL MANAGER MAI WEN-LAN TOLD A

USLO OFFICER WHO VISITED THE FAIR THAT THIS YEAR'S EFFORT HAD BEEN PRECEDED BY A MUCH SMALLER EVENT STAGED IN 1975 BY THE CORPORATION'S SHANGHAI BRANCH, MAI SAID THE DECISION TO HOLD FUTURE FAIRS WOULD DEPEND ON THE "DEMANDS OF OUR FOREIGN FRIENDS" AND MOST BUSINESSMEN SEEMED PLEASED WITH THE NEW FORMAT. THE LACK OF TELEX FACILITIES SEEMED TO BE THE ONLY MAJOR COMPLAINT AMONG THOSE INTERVIEWED. IN CONTRAST TO THE LARGE SEMI-ANNUAL CANTON FAIRS, BUSINESSMEN POINTED TO THE RELAXED ATMOSPHERE, PERSONAL ATTENTION, ADEQUATE DISCUSSION TIME AND BETTER BUSINESS OPPORTUNITIES PROVIDED BY THESE SMALL FAIRS AS REASONS FOR HOPING SINOCHAM WOULD HOLD A SIMILAR EVENT NEXT YEAR. THAYER

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